1	UNDERGROUND PETROLEUM STORAGE TANK AMENDMENTS
2	2014 GENERAL SESSION
3	STATE OF UTAH
4	Chief Sponsor: Steve Eliason
5	Senate Sponsor: Howard A. Stephenson
6 7	LONG TITLE
8	General Description:
9	This bill modifies provisions relating to the Division of Environmental Response and
0	Remediation.
1	Highlighted Provisions:
2	This bill:
3	<ul><li>amends definitions;</li></ul>
4	<ul> <li>authorizes the director of the Division of Environmental Response and Remediation</li> </ul>
5	to file a lien against a responsible party for the costs associated with a cleanup, if
6	necessary;
7	<ul> <li>transfers balances from the Petroleum Storage Tank Loan Fund and the Circle K</li> </ul>
8	settlement into the Petroleum Storage Tank Trust Fund;
9	<ul> <li>authorizes the director of the Division of Environmental Response and Remediation</li> </ul>
0	to use money in the Petroleum Storage Tank Cleanup Fund to investigate a
1	suspected release;
2	<ul> <li>requires the Division of Environmental Response and Remediation to charge an</li> </ul>
3	additional fee for an underground storage tank with an annual throughput rate of
4	70,000 gallons or less;
25	<ul> <li>authorizes the State Tax Commission to raise the environmental assurance fee to</li> </ul>



26	13/20 cent per gallon on the first sale or use of petroleum in the state;
27	<ul> <li>authorizes the Division of Environmental Response and Remediation to create a</li> </ul>
28	risk-based rebate system for environmental assurance fees;
29	<ul> <li>authorizes the director of the Division of Environmental Response and</li> </ul>
30	Remediation to revoke a certificate of compliance, in certain situations;
31	<ul> <li>authorizes the director of the Division of Environmental Response and Remediation</li> </ul>
32	to order an owner or operator to reimburse the division for the cost of managing and
33	overseeing the cleanup of a release;
34	<ul><li>provides a repeal date; and</li></ul>
35	<ul><li>makes technical changes.</li></ul>
36	Money Appropriated in this Bill:
37	None
38	Other Special Clauses:
39	This bill provides an effective date.
40	<b>Utah Code Sections Affected:</b>
41	AMENDS:
42	19-6-402, as last amended by Laws of Utah 2012, Chapters 310 and 360
43	19-6-404, as last amended by Laws of Utah 2012, Chapter 360
44	19-6-405.7, as last amended by Laws of Utah 2012, Chapter 360
45	19-6-408, as last amended by Laws of Utah 2012, Chapter 360
46	19-6-409, as last amended by Laws of Utah 2013, Chapter 286
47	19-6-410.5, as last amended by Laws of Utah 2013, Chapter 286
48	19-6-411, as last amended by Laws of Utah 2012, Chapters 286, 310, 360 and last
49	amended by Coordination Clause, Laws of Utah 2012, Chapter 310
50	19-6-414, as last amended by Laws of Utah 2012, Chapter 360
51	19-6-420, as last amended by Laws of Utah 2012, Chapter 360
52	19-8-119, as last amended by Laws of Utah 2012, Chapter 360
53	63A-3-205, as last amended by Laws of Utah 2013, Chapter 227
54	63B-1b-102, as last amended by Laws of Utah 2013, Chapter 227
55	63B-1b-202, as last amended by Laws of Utah 2013, Chapter 227
56	ENACTS:

	19-6-405.4, Utah Code Annotated 1953
	63I-2-219, Utah Code Annotated 1953
Be it e	nacted by the Legislature of the state of Utah:
	Section 1. Section 19-6-402 is amended to read:
	19-6-402. Definitions.
	As used in this part:
	(1) "Abatement action" means action taken to limit, reduce, mitigate, or eliminate:
	(a) a release from an underground storage tank or petroleum storage tank; or
	(b) the damage caused by that release.
	(2) "Board" means the Solid and Hazardous Waste Control Board created in Section
19-1-1	06.
	(3) "Bodily injury" means bodily harm, sickness, disease, or death sustained by a
person	
	(4) "Certificate of compliance" means a certificate issued to a facility by the director:
	(a) demonstrating that an owner or operator of a facility containing one or more
petrole	eum storage tanks has met the requirements of this part; and
	(b) listing all tanks at the facility, specifying:
	(i) which tanks may receive petroleum; and
	(ii) which tanks have not met the requirements for compliance.
	(5) "Certificate of registration" means a certificate issued to a facility by the director
demon	strating that an owner or operator of a facility containing one or more underground
storage	e tanks has:
	(a) registered the tanks; and
	(b) paid the annual underground storage tank fee.
	(6) (a) "Certified underground storage tank consultant" means a person who:
	(i) for a fee, or in connection with services for which a fee is charged, provides or
contra	cts to provide information, opinions, or advice relating to underground storage tank
release	::
	(A) management;
	(B) abatement;

88	(C) investigation;
89	(D) corrective action; or
90	(E) evaluation;
91	(ii) has submitted an application to the director;
92	(iii) received a written statement of certification from the director; and
93	(iv) meets the education and experience standards established by the board under
94	Subsection 19-6-403(1)(a)(vii).
95	(b) "Certified underground storage tank consultant" does not include:
96	(i) (A) an employee of the owner or operator of the underground storage tank; or
97	(B) an employee of a business operation that has a business relationship with the owner
98	or operator of the underground storage tank, and markets petroleum products or manages
99	underground storage tanks; or
100	(ii) a person licensed to practice law in this state who offers only legal advice on
101	underground storage tank release:
102	(A) management;
103	(B) abatement;
104	(C) investigation;
105	(D) corrective action; or
106	(E) evaluation.
107	(7) "Closed" means an underground storage tank no longer in use that has been:
108	(a) emptied and cleaned to remove all liquids and accumulated sludges; and
109	(b) (i) removed from the ground; or
110	(ii) filled with an inert solid material.
111	(8) "Corrective action plan" means a plan for correcting a release from a petroleum
112	storage tank that includes provisions for any of the following:
113	(a) cleanup or removal of the release;
114	(b) containment or isolation of the release;
115	(c) treatment of the release;
116	(d) correction of the cause of the release;
117	(e) monitoring and maintenance of the site of the release;
118	(f) provision of alternative water supplies to a person whose drinking water has

149

119	become contaminated by the release; or
120	(g) temporary or permanent relocation, whichever is determined by the director to be
121	more cost-effective, of a person whose dwelling has been determined by the director to be no
122	longer habitable due to the release.
123	(9) "Costs" means money expended for:
124	(a) investigation;
125	(b) abatement action;
126	(c) corrective action;
127	(d) judgments, awards, and settlements for bodily injury or property damage to third
128	parties;
129	(e) legal and claims adjusting costs incurred by the state in connection with judgments,
130	awards, or settlements for bodily injury or property damage to third parties; or
131	(f) costs incurred by the state risk manager in determining the actuarial soundness of
132	the fund.
133	(10) "Covered by the fund" means the requirements of Section 19-6-424 have been
134	met.
135	(11) "Director" means the director of the Division of Environmental Response and
136	Remediation.
137	(12) "Division" means the Division of Environmental Response and Remediation,
138	created in Subsection 19-1-105(1)(c).
139	(13) "Dwelling" means a building that is usually occupied by a person lodging there at
140	night.
141	(14) "Enforcement proceedings" means a civil action or the procedures to enforce
142	orders established by Section 19-6-425.
143	(15) "Facility" means all underground storage tanks located on a single parcel of
144	property or on any property adjacent or contiguous to that parcel.
145	(16) "Fund" means the Petroleum Storage Tank Trust Fund created in Section
146	19-6-409.
147	[(17) "Loan fund" means the Petroleum Storage Tank Loan Fund created in Section
148	<del>19-6-405.3.</del> ]

[(18)] (17) "Operator" means a person in control of or who is responsible on a daily

150	basis for the maintenance of an underground storage tank that is in use for the storage, use, or
151	dispensing of a regulated substance.
152	[(19)] (18) "Owner" means:
153	(a) in the case of an underground storage tank in use on or after November 8, 1984, a
154	person who owns an underground storage tank used for the storage, use, or dispensing of a
155	regulated substance; and
156	(b) in the case of an underground storage tank in use before November 8, 1984, but not
157	in use on or after November 8, 1984, a person who owned the tank immediately before the
158	discontinuance of its use for the storage, use, or dispensing of a regulated substance.
159	[(20)] (19) "Petroleum" includes crude oil or a fraction of crude oil that is liquid at:
160	(a) 60 degrees Fahrenheit; and
161	(b) a pressure of 14.7 pounds per square inch absolute.
162	[(21)] (20) "Petroleum storage tank" means a tank that:
163	(a) (i) is underground;
164	(ii) is regulated under Subtitle I of the Resource Conservation and Recovery Act, 42
165	U.S.C. [Section] Sec. 6991c, et seq.; and
166	(iii) contains petroleum; or
167	(b) the owner or operator voluntarily submits for participation in the Petroleum Storage
168	Tank Trust Fund under Section 19-6-415.
169	[(22)] (21) "Petroleum Storage Tank Restricted Account" means the account created in
170	Section 19-6-405.5.
171	[(23)] (22) "Program" means the Environmental Assurance Program under Section
172	19-6-410.5.
173	[(24)] (23) "Property damage" means physical injury to, destruction of, or loss of use of
174	tangible property.
175	[(25)] (24) (a) "Regulated substance" means petroleum and petroleum-based
176	substances comprised of a complex blend of hydrocarbons derived from crude oil through
177	processes of separation, conversion, upgrading, and finishing.
178	(b) "Regulated substance" includes motor fuels, jet fuels, distillate fuel oils, residual
179	fuel oils, lubricants, petroleum solvents, and used oils.
180	[(26)] (25) (a) "Release" means spilling, leaking, emitting, discharging, escaping,

210 211

	03-13-14 8:15 AM 2nd Sub. (Gray) H.B. 13
181	leaching, or disposing a regulated substance from an underground storage tank or petroleum
182	storage tank.
183	(b) A release of a regulated substance from an underground storage tank or petroleum
184	storage tank is considered a single release from that tank system.
185	[(27)] (26) (a) "Responsible party" means a person who:
186	(i) is the owner or operator of a facility;
187	(ii) owns or has legal or equitable title in a facility or an underground storage tank;
188	(iii) owned or had legal or equitable title in a facility at the time petroleum was
189	received or contained at the facility;
190	(iv) operated or otherwise controlled activities at a facility at the time petroleum was
191	received or contained at the facility; or
192	(v) is an underground storage tank installation company.
193	(b) "Responsible party" $\underline{is}$ as defined in Subsections [ $(27)$ ] $(26)$ (a)(i), (ii), and (iii) does
194	not include:
195	(i) a person who is not an operator and, without participating in the management of a
196	facility and otherwise not engaged in petroleum production, refining, and marketing, holds
197	indicia of ownership:
198	(A) primarily to protect [his] the person's security interest in the facility; or
199	(B) as a fiduciary or custodian under Title 75, Utah Uniform Probate Code, or under an
200	employee benefit plan; or
201	(ii) governmental ownership or control of property by involuntary transfers as provided
202	in CERCLA Section 101(20)(D), 42 U.S.C. Sec. 9601(20)(D).
203	(c) The exemption created by Subsection [(27)] (26)(b)(i)(B) does not apply to actions
204	taken by the state or its officials or agencies under this part.
205	(d) The terms and activities "indicia of ownership," "primarily to protect a security
206	interest," "participation in management," and "security interest" under this part are in
207	accordance with 40 C.F.R. Part 280, Subpart I, as amended, and 42 U.S.C. Sec. 6991b(h)(9).
208	(e) The terms "participate in management" and "indicia of ownership" as defined in 40

[(28)] (27) "Soil test" means a test, established or approved by board rule, to detect the

C\_F\_R\_ Part 280, Subpart I, as amended, and 42 U.S.C. Sec. 6991b(h)(9) include and apply to

the fiduciaries listed in Subsection [(27)] (26)(b)(i)(B).

212	presence of petroleum in soil.
213	[(29)] (28) "State cleanup appropriation" means money appropriated by the Legislature
214	to the department to fund the investigation, abatement, and corrective action regarding releases
215	not covered by the fund.
216	[(30)] (29) "Underground storage tank" means a tank regulated under Subtitle I,
217	Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6991c, et seq., including:
218	(a) a petroleum storage tank;
219	(b) underground pipes and lines connected to a storage tank;
220	(c) underground ancillary equipment; [and]
221	(d) a containment system[:]; and
222	(e) each compartment of a multi-compartment storage tank.
223	[(31)] (30) "Underground storage tank installation company" means a person, firm,
224	partnership, corporation, governmental entity, association, or other organization who installs
225	underground storage tanks.
226	[(32)] (31) "Underground storage tank installation company permit" means a permit
227	issued to an underground storage tank installation company by the director.
228	[(33)] (32) "Underground storage tank technician" means a person employed by and
229	acting under the direct supervision of a certified underground storage tank consultant to assist
230	in carrying out the functions described in Subsection (6)(a).
231	Section 2. Section <b>19-6-404</b> is amended to read:
232	19-6-404. Powers and duties of director.
233	(1) The director shall:
234	(a) administer the petroleum storage tank program established in this part; and
235	(b) as authorized by the board and subject to the provisions of this part, act as
236	executive secretary of the board under the direction of the chairman of the board.
237	(2) As necessary to meet the requirements or carry out the purposes of this part, the
238	director may:
239	(a) advise, consult, and cooperate with other persons;
240	(b) employ persons;
241	(c) authorize a certified employee or a certified representative of the department to
242	conduct facility inspections and reviews of records required to be kept by this part and by rules

243	made under this part;
244	(d) encourage, participate in, or conduct studies, investigation, research, and
245	demonstrations;
246	(e) collect and disseminate information;
247	(f) enforce rules made by the board and any requirement in this part by issuing notices
248	and orders;
249	(g) review plans, specifications, or other data;
250	(h) under the direction of the executive director, represent the state in all matters
251	pertaining to interstate underground storage tank management and control, including entering
252	into interstate compacts and other similar agreements;
253	(i) enter into contracts or agreements with political subdivisions for the performance of
254	any of the department's responsibilities under this part if:
255	(i) the contract or agreement is not prohibited by state or federal law and will not result
256	in a loss of federal funding; and
257	(ii) the director determines that:
258	(A) the political subdivision is willing and able to satisfactorily discharge its
259	responsibilities under the contract or agreement; and
260	(B) the contract or agreement will be practical and effective;
261	(j) take any necessary enforcement action authorized under this part, including filing a
262	lien against the real property, which is subject to cleanup and is owned by a responsible party,
263	for the costs of abatement, investigative and corrective actions taken by the agency, if
264	necessary, and depositing any funds received into the Petroleum Storage Tank Cleanup Fund
265	created in Section 19-6-405.7;
266	(k) require an owner or operator of an underground storage tank to:
267	(i) furnish information or records relating to the tank, its equipment, and contents;
268	(ii) monitor, inspect, test, or sample the tank, its contents, and any surrounding soils,
269	air, or water; or
270	(iii) provide access to the tank at reasonable times;
271	(l) take any abatement, investigative, or corrective action as authorized in this part; or
272	(m) enter into agreements or issue orders to apportion percentages of liability of
273	responsible parties under Section 19-6-424.5.

274	Section 3. Section 19-6-405.4 is enacted to read:
275	19-6-405.4. Transfer of balances.
276	By June 30, 2014, the Department of Environmental Quality shall transfer:
277	(1) the balances in the Petroleum Storage Tank Loan Fund created in Section
278	19-6-405.3 into the Petroleum Storage Tank Trust Fund created in Section 19-6-409; and
279	(2) any funds remaining from the Circle K settlement in the Petroleum Damage Fund
280	into the Petroleum Storage Tank Trust Fund created in Section 19-6-409.
281	Section 4. Section 19-6-405.7 is amended to read:
282	19-6-405.7. Petroleum Storage Tank Cleanup Fund Revenue and purposes.
283	(1) There is created a private-purpose trust fund entitled the "Petroleum Storage Tank
284	Cleanup Fund," which is referred to in this section as the cleanup fund.
285	(2) The cleanup fund sources of revenue are:
286	(a) any voluntary contributions received by the department for the cleanup of facilities;
287	(b) legislative appropriations made to the cleanup fund; and
288	(c) costs recovered under this part.
289	(3) The cleanup fund shall earn interest, which shall be deposited in the cleanup fund.
290	(4) The director may use the cleanup fund money for administration, investigation,
291	abatement action, and preparing and implementing a corrective action plan regarding releases
292	and suspected releases not covered by the Petroleum Storage Tank Trust Fund created in
293	Section 19-6-409.
294	Section 5. Section 19-6-408 is amended to read:
295	19-6-408. Underground storage tank registration fee Processing fee for tanks
296	not in the program.
297	(1) The department may assess an annual underground storage tank registration fee
298	against [ $\frac{1}{2}$ an owner or [ $\frac{1}{2}$ or [ $\frac{1}{2}$ operator] of $\frac{1}{2}$ underground storage [ $\frac{1}{2}$ tank that
299	[have] has not been closed. These fees shall be:
300	(a) billed per facility;
301	(b) due on July 1 annually;
302	(c) deposited with the department as dedicated credits;
303	(d) used by the department for the administration of the underground storage tank
304	program outlined in this part; and

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department.

305	(e) established under Section 63J-1-504.
306	(2) (a) As used in this Subsection (2), "financial assurance mechanism document" may
307	be a single document that covers more than one facility through a single financial assurance
308	mechanism.
309	(b) In addition to the fee under Subsection (1), an owner or operator who elects to
310	demonstrate financial assurance through a mechanism other than the Environmental Assurance
311	Program shall pay a processing fee [of: (i) for fiscal year 1997-98, \$1,000 for each financial
312	assurance mechanism document submitted to the division for review; and (ii) on and after July
313	1, 1998, a processing fee] established under Section 63J-1-504.
314	[(b)] (c) If a combination of financial assurance mechanisms is used to demonstrate
315	financial assurance, the fee under Subsection [(2)(a)] (2)(b) shall be paid for each document
316	submitted.
317	[(c) As used in this Subsection (2), "financial assurance mechanism document" may be
318	a single document that covers more than one facility through a single financial assurance
319	mechanism.]
320	(3) Any funds provided for administration of the underground storage tank program
321	under this section that are not expended at the end of the fiscal year lapse into the Petroleum
322	Storage Tank Restricted Account created in Section 19-6-405.5.
323	(4) The director shall provide all owners or operators who pay the annual underground
324	storage tank registration fee a certificate of registration.
325	(5) (a) The director may issue a notice of agency action assessing a civil penalty of
326	\$1,000 per facility if an owner or operator of an underground storage tank facility fails to pay
327	the required fee within 60 days after the July 1 due date.
328	(b) The registration fee and late payment penalty accrue interest at 12% per annum.
329	(c) If the registration fee, late payment penalty, and interest accrued under this
330	Subsection (5) are not paid in full within 60 days after the July 1 due date any certificate of
331	compliance issued prior to the July 1 due date lapses. The director may not reissue the
332	certificate of compliance until full payment under this Subsection (5) is made to the

(d) The director may waive any penalty assessed under this Subsection (5) if no fuel

has been dispensed from the tank on or after July 1, 1991.

336	Section 6. Section 19-6-409 is amended to read:
337	19-6-409. Petroleum Storage Tank Trust Fund created Source of revenues.
338	(1) (a) There is created a private-purpose trust fund entitled the "Petroleum Storage
339	Tank Trust Fund."
340	(b) The sole sources of revenues for the fund are:
341	(i) petroleum storage tank fees paid under Section 19-6-411;
342	(ii) underground storage tank installation company permit fees paid under Section
343	19-6-411;
344	(iii) the environmental assurance fee and penalties paid under Section 19-6-410.5;
345	[and]
346	(iv) appropriations to the fund;
347	(v) principal and interest received from the repayment of loans made by the director
348	under Subsection (5); and
349	[(iv)] (vi) interest accrued on revenues listed in this Subsection (1)(b).
350	(c) Interest earned on fund money is deposited into the fund.
351	(2) The director may expend money from the fund to pay costs:
352	(a) covered by the fund under Section 19-6-419;
353	(b) of administering the:
354	(i) fund; and
355	(ii) environmental assurance program and fee under Section 19-6-410.5;
356	(c) incurred by the state for a legal service or claim adjusting service provided in
357	connection with a claim, judgment, award, or settlement for bodily injury or property damage
358	to a third party;
359	(d) incurred by the executive director in determining the actuarial soundness of the
360	fund;
361	(e) incurred by a third party claiming injury or damages from a release reported on or
362	after May 11, 2010, for hiring a certified underground storage tank consultant:
363	(i) to review an investigation or corrective action by a responsible party; and
364	(ii) in accordance with Subsection (4);
365	(f) incurred by the department to implement the study described in Subsection
366	19-6-410.5(8), including a one-time cost of up to \$200,000 for the actuarial study described in

36/	Subsection $19-6-410.5(8)(a)(11)$ ; and
368	(g) allowed under this part that are not listed under this Subsection (2).
369	(3) Costs for the administration of the fund and the environmental assurance fee shall
370	be appropriated by the Legislature.
371	(4) The director shall:
372	(a) in paying costs under Subsection (2)(e):
373	(i) determine a reasonable limit on costs paid based on the:
374	(A) extent of the release;
375	(B) impact of the release; and
376	(C) services provided by the certified underground storage tank consultant;
377	(ii) pay, per release, costs for one certified underground storage tank consultant agreed
378	to by all third parties claiming damages or injury;
379	(iii) include costs paid in the coverage limits allowed under Section 19-6-419; and
380	(iv) not pay legal costs of third parties;
381	(b) review and give careful consideration to reports and recommendations provided by
382	a certified underground storage tank consultant hired by a third party; and
383	(c) make reports and recommendations provided under Subsection (4)(b) available on
384	the Division of Environmental Response and Remediation's website.
385	(5) The director may loan, in accordance with this section, money available in the fund
386	to a person to be used for:
387	(a) upgrading an underground storage tank;
388	(b) replacing an underground storage tank; or
389	(c) permanently closing an underground storage tank.
390	(6) A person may apply to the director for a loan under Subsection (5) if all tanks
391	owned or operated by that person are in substantial compliance with all state and federal
392	requirements or will be brought into substantial compliance using money from the fund.
393	(7) The director shall consider loan applications under Subsection (6) to meet the
394	following objectives:
395	(a) support availability of gasoline in rural parts of the state;
396	(b) support small businesses; and
397	(c) reduce the threat of a petroleum release endangering the environment.

# 2nd Sub. (Gray) H.B. 138

398	(8) (a) A loan made under this section may not be for more than:
399	(i) \$150,000 for all tanks at any one facility;
400	(ii) \$50,000 per tank; and
401	(iii) 80% of the total cost of:
402	(A) upgrading an underground storage tank;
403	(B) replacing an underground storage tank; or
404	(C) permanently closing an underground storage tank.
405	(b) A loan made under this section shall:
406	(i) have a fixed annual interest rate of 0%;
407	(ii) have a term no longer than 10 years;
408	(iii) be made on the condition the loan applicant obtains adequate security for the loan
409	as established by board rule under Subsection (9); and
410	(iv) comply with rules made by the board under Subsection (9).
411	(9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
412	board shall make rules establishing:
413	(a) form, content, and procedure for a loan application;
414	(b) criteria and procedures for prioritizing a loan application;
415	(c) requirements and procedures for securing a loan;
416	(d) procedures for making a loan;
417	(e) procedures for administering and ensuring repayment of a loan, including late
418	payment penalties;
419	(f) procedures for recovering on a defaulted loan; and
420	(g) the maximum amount of the fund that may be used for loans.
421	(10) A decision by the director to loan money from the fund and otherwise administer
422	the fund is not subject to Title 63G, Chapter 4, Administrative Procedures Act.
423	(11) The Legislature shall appropriate money from the fund to the department for the
424	administration costs associated with making loans under this section.
425	(12) The director may enter into an agreement with a public entity or private
426	organization to perform a task associated with administration of loans made under this section.
427	Section 7. Section <b>19-6-410.5</b> is amended to read:
428	19-6-410.5. Environmental Assurance Program Participant fee State Tax

459

and

429	Commission administration, collection, and enforcement of tax.
430	(1) As used in this section:
431	(a) "Cash balance" means cash plus investments and current accounts receivable minus
432	current accounts payable, excluding the liabilities estimated by the executive director.
433	(b) "Commission" means the State Tax Commission, as defined in Section 59-1-101.
434	(2) (a) There is created an Environmental Assurance Program.
435	(b) The program shall provide to a participating owner or operator, upon payment of
436	the fee imposed under Subsection (4), assistance with satisfying the financial responsibility
437	requirements of 40 C.F.R., Part 280, Subpart H, by providing funds from the Petroleum
438	Storage Tank Trust Fund established in Section 19-6-409, subject to the terms and conditions
439	of Chapter 6, Part 4, Underground Storage Tank Act, and rules implemented under that part.
440	(3) (a) Subject to Subsection (3)(b), participation in the program is voluntary.
441	(b) An owner or operator seeking to satisfy financial responsibility requirements
442	through the program shall use the program for all petroleum underground storage tanks that the
443	owner or operator owns or operates.
444	(4) (a) There is assessed an environmental assurance fee of $[\frac{1}{2}]$ $\underline{13/20}$ cent per gallon
445	on the first sale or use of petroleum products in the state.
446	(b) The environmental assurance fee and any other revenue collected under this section
447	shall be deposited in the Petroleum Storage Tank Trust Fund created in Section 19-6-409 and
448	used solely for the purposes listed in Section 19-6-409.
449	(5) (a) The commission shall administer, collect, and enforce the fee imposed under
450	this section according to the same procedures used in the administration, collection, and
451	enforcement of the state sales and use tax under:
452	(i) Title 59, Chapter 1, General Taxation Policies; and
453	(ii) Title 59, Chapter 12, Part 1, Tax Collection.
454	(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
455	commission shall make rules to establish:
456	(i) the method of payment of the environmental assurance fee;
457	(ii) the procedure for reimbursement or exemption of an owner or operator that does
458	not participate in the program, including an owner or operator of an above ground storage tank;

460	(iii) the procedure for confirming with the department that an owner or operator
461	qualifies for reimbursement or exemption under Subsection (5)(b)(ii).
462	(c) The commission may retain an amount not to exceed 2.5% of fees collected under
463	this section for the cost to the commission of rendering its services.
464	(d) By January 1, 2015, the division shall, by rule, create:
465	(i) a model for assessing the risk profile of each facility participating in the program,
466	for purposes of qualifying for a rebate of a portion of the environmental assurance fee
467	described in Subsection (4) collected from an owner or operator that participates in the
468	program; and
469	(ii) a rebate schedule listing the amount of the environmental assurance fee that an
470	owner or operator participating in the program may qualify for based on risk profiles
471	determined by the model developed under Subsection (5)(d)(i).
472	(e) The rebate described in Subsection (5)(d):
473	(i) may not exceed 40% of the actual fee collected from an owner or operator of a
474	low-risk underground storage tank as defined in the risk-based model developed under
475	Subsection (5)(d);
476	(ii) is administered on a per facility basis;
477	(iii) is based on the facility's risk profile at the end of the prior calendar year;
478	(iv) is only applicable to an environmental assurance fee collected after December 30,
479	2014; and
480	(v) shall be claimed in the form of a refund from the commission.
481	(f) The refund described in Subsection (5)(e)(v) may be claimed on a monthly basis.
482	(6) (a) The person responsible for payment of the fee under this section shall, by the
483	last day of the month following the month in which the sale occurs:
484	(i) complete and submit the form prescribed by the commission; and
485	(ii) pay the fee to the commission.
486	(b) (i) The penalties and interest for failure to file the form or to pay the environmental
487	assurance fee are the same as the penalties and interest under Sections 59-1-401 and 59-1-402.
488	(ii) The commission shall deposit penalties and interest collected under this section in
489	the Petroleum Storage Tank Trust Fund.
490	(c) The commission shall report to the department a person who is delinquent in

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491	payment of the fee under this section.
492	(7) (a) (i) If the cash balance of the Petroleum Storage Tank Trust Fund on June 30 of
493	any year exceeds \$30,000,000, the assessment of the environmental assurance fee as provided
494	in Subsection (4) is reduced to 1/4 cent per gallon beginning November 1.
495	(ii) The reduction under this Subsection (7)(a) remains in effect until modified by the
496	Legislature in a general or special session.
497	(b) The commission shall determine the cash balance of the fund each year as of June
498	30.
499	(c) Before September 1 of each year, the department shall provide the commission with
500	the accounts payable of the fund as of June 30.
501	(8) The department shall:
502	(a) (i) study the adverse selection of participants in the program and the actuarial
503	deficit of the fund;
504	(ii) obtain an actuarial study and related consultation that provides the necessary
505	calculations to minimize adverse selection in the program and the actuarial deficit of the fund;
506	(iii) develop a risk characterization profile for participants in the program and
507	recommend a fee schedule based on fair market rates;
508	(iv) develop a strategy to reduce the negative equity balance of the fund and, based on
509	the fee schedule described in Subsection (8)(a)(iii), a corresponding time schedule showing an
510	actuarial reduction in the negative equity balance of the fund; and
511	(v) identify and study other adverse impacts to the program and the fund; and
512	(b) based on the information obtained and developed under Subsection (8)(a), prepare a
513	recommendation to implement a strategy to minimize adverse selection of participants in the
514	program and eliminate or reduce the actuarial deficit of the fund.
515	(9) The department shall report to the Natural Resources, Agriculture, and
516	Environment Interim Committee before December 31, 2013, regarding:
517	(a) the information obtained and developed under Subsection (8)(a); and
518	(b) the recommendation prepared under Subsection (8)(b).
519	Section 8. Section 19-6-411 is amended to read:

19-6-411. Petroleum storage tank fee for program participants.

(1) In addition to the underground storage tank registration fee paid in Section

522	19-6-408, the owner or operator of a petroleum storage tank who elects to participate in the
523	environmental assurance program under Section 19-6-410.5 shall also pay an annual petroleum
524	storage tank fee to the department for each facility as follows:
525	(a) an annual fee of:
526	(i) \$450 for each tank in a facility with an annual facility throughput rate of 70,000
527	gallons or less;
528	[(i) \$50] (ii) \$150 for each tank in a facility with an annual facility throughput rate of
529	[400,000] greater than 70,000 gallons [or less]; and
530	[(ii) \$150 for each tank in a facility with an annual facility throughput rate of more
531	than 400,000 gallons; and]
532	(iii) [\$150] \$450 for each tank in a facility regarding which:
533	(A) the facility's throughput rate is not reported to the department within 30 days after
534	the date this throughput information is requested by the department; or
535	(B) the owner or operator elects to pay the fee under this Subsection (1)(a)(iii), rather
536	than report under Subsection (1)(a)(i) or (ii); and
537	(b) for any new tank:
538	(i) that is installed to replace an existing tank at an existing facility, any annual
539	petroleum storage tank fee paid for the current fiscal year for the existing tank is applicable to
540	the new tank; and
541	(ii) installed at a new facility or at an existing facility, which is not a replacement for
542	another existing tank, the fees are as provided in Subsection (1)(a)(ii) [of this section].
543	(2) (a) As a condition of receiving a permit and being eligible for benefits under
544	Section 19-6-419 from the Petroleum Storage Tank Trust Fund, each underground storage tank
545	installation company shall pay to the department the following fees to be deposited in the fund:
546	(i) an annual fee of:
547	(A) \$2,000 per underground storage tank installation company if the installation
548	company has installed 15 or fewer underground storage tanks within the 12 months preceding
549	the fee due date; or
550	(B) \$4,000 per underground storage tank installation company if the installation
551	company has installed 16 or more underground storage tanks within the 12 months preceding
552	the fee due date; and

- (ii) \$200 for each underground storage tank installed in the state, to be paid prior to completion of installation.
- (b) The board shall make rules specifying which portions of an underground storage tank installation shall be subject to the permitting fees when less than a full underground storage tank system is installed.
  - (3) (a) Fees under Subsection (1) are due on or before July 1 annually.
- (b) If the department does not receive the fee on or before July 1, the department shall impose a late penalty of \$60 per facility.
  - (c) (i) The fee and the late penalty accrue interest at 12% per annum.
- (ii) If the fee, the late penalty, and all accrued interest are not received by the department within 60 days after July 1, the eligibility of the owner or operator to receive payments for claims against the fund lapses on the 61st day after July 1.
- (iii) In order for the owner or operator to reinstate eligibility to receive payments for claims against the fund, the owner or operator shall meet the requirements of Subsection 19-6-428(3).
- (4) (a) (i) Fees under Subsection (2)(a)(i) are due on or before July 1 annually. If the department does not receive the fees on or before July 1, the department shall impose a late penalty of \$60 per installation company. The fee and the late penalty accrue interest at 12% per annum.
- (ii) If the fee, late penalty, and all accrued interest due are not received by the department within 60 days after July 1, the underground storage tank installation company's permit and eligibility to receive payments for claims against the fund lapse on the 61st day after July 1.
- (b) (i) Fees under Subsection (2)(a)(ii) are due prior to completion of installation. If the department does not receive the fees prior to completion of installation, the department shall impose a late penalty of \$60 per facility. The fee and the late penalty accrue interest at 12% per annum.
- (ii) If the fee, late penalty, and all accrued interest are not received by the department within 60 days after the underground storage tank installation is completed, eligibility to receive payments for claims against the fund for that tank lapse on the 61st day after the tank installation is completed.

- (c) The director may not reissue the underground storage tank installation company permit until the fee, late penalty, and all accrued interest are received by the department.
- (5) If the executive director determines that the fees established in Subsections (1) and (2) and the environmental assurance fee established in Section 19-6-410.5 are insufficient to maintain the fund on an actuarially sound basis, the executive director may petition the Legislature to increase the petroleum storage tank and underground storage tank installation company permit fees, and the environmental assurance fee to a level that will sustain the fund on an actuarially sound basis.
- (6) The director may waive all or part of the fees required to be paid on or before May 5, 1997, for a petroleum storage tank under this section if no fuel has been dispensed from the tank on or after July 1, 1991.
- (7) (a) The director shall issue a certificate of compliance to the owner or operator of a petroleum storage tank or underground storage tank, for which payment of fees has been made and other requirements have been met to qualify for a certificate of compliance under this part.
- (b) The board shall make rules providing for the identification, through a tag or other readily identifiable method, of a petroleum storage tank or underground storage tank under Subsection (7)(a) that does not qualify for a certificate of compliance under this part.
  - Section 9. Section 19-6-414 is amended to read:

# 19-6-414. Grounds for revocation of certificate of compliance and ineligibility for payment of costs from fund.

- (1) If the director determines that any of the requirements of Subsection 19-6-412(2) [and], Section 19-6-413, or Subsection 19-6-420(2) have not been met, the director shall notify the owner or operator by certified mail that:
  - (a) [his] the owner or operator's certificate of compliance may be revoked;
- (b) if [he] the owner or operator is participating in the program, [he] the owner or operator is violating the eligibility requirements for the fund; and
- (c) [he] the owner or operator shall demonstrate [his] the owner or operator's compliance with this part within 60 days after receipt of the notification or [his] the certificate of compliance will be revoked and if participating in the program [he] the owner or operator will be ineligible to receive payment for claims against the fund.
  - (2) If the director determines the owner's or operator's compliance problems have not

615	been resolved within 60 days after receipt of the notification in Subsection (1), the director
616	shall send written notice to the owner or operator that the owner's or operator's certificate of
617	compliance is revoked and he is no longer eligible for payment of costs from the fund.
618	(3) Revocation of certificates of compliance may be appealed to the executive director.
619	Section 10. Section 19-6-420 is amended to read:
620	19-6-420. Releases Abatement actions Corrective actions.
621	(1) If the director determines that a release from a petroleum storage tank has occurred,
622	[he] the director shall:
623	(a) identify and name as many of the responsible parties as reasonably possible; and
624	(b) determine which responsible parties, if any, are covered by the fund regarding the
625	release in question.
626	(2) Regardless of whether the tank generating the release is covered by the fund[ <del>, the</del>
627	director may]:
628	(a) the director may order the owner or operator to take abatement, or investigative[7]
629	or corrective action, including the submission of a corrective action plan; and
630	(b) if the owner or operator fails to [take any of the abatement, investigative, or
631	corrective] comply with the action ordered by the director under Subsection (2)(a), the director
632	may take [any] one or more of the following actions:
633	(i) subject to the conditions in this part, use money from the fund, if the tank involved
634	is covered by the fund, state cleanup appropriation, or the Petroleum Storage Tank Cleanup
635	Fund created under Section 19-6-405.7 to perform investigative, abatement, or corrective
636	action;
637	(ii) commence an enforcement proceeding;
638	(iii) enter into agreements or issue orders as allowed by Section 19-6-424.5; [or]
639	(iv) recover costs from responsible parties equal to their proportionate share of liability
640	as determined by Section 19-6-424.5[-]; or
641	(v) where the owner or operator is the responsible party, revoke the responsible party's
642	certificate of compliance, as described in Section 19-6-414.
643	(3) (a) Subject to the limitations established in Section 19-6-419, the director shall
644	provide money from the fund for abatement action for a release generated by a tank covered by
645	the fund if:

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- (i) the owner or operator takes the abatement action ordered by the director; and
- (ii) the director approves the abatement action.
- (b) If a release presents the possibility of imminent and substantial danger to the public health or the environment, the owner or operator may take immediate abatement action and petition the director for reimbursement from the fund for the costs of the abatement action. If the owner or operator can demonstrate to the satisfaction of the director that the abatement action was reasonable and timely in light of circumstances, the director shall reimburse the petitioner for costs associated with immediate abatement action, subject to the limitations established in Section 19-6-419.
- (c) The owner or operator shall notify the director within 24 hours of the abatement action taken.
- (4) (a) If the director determines corrective action is necessary, the director shall order the owner or operator to submit a corrective action plan to address the release.
- (b) If the owner or operator submits a corrective action plan, the director shall review the corrective action plan and approve or disapprove the plan.
  - (c) In reviewing the corrective action plan, the director shall consider the following:
  - (i) the threat to public health;
  - (ii) the threat to the environment; and
  - (iii) the cost-effectiveness of alternative corrective actions.
- (5) If the director approves the corrective action plan or develops [his] the director's own corrective action plan, [he] the director shall:
  - (a) approve the estimated cost of implementing the corrective action plan;
  - (b) order the owner or operator to implement the corrective action plan;
- (c) (i) if the release is covered by the fund, determine the amount of fund money to be allocated to an owner or operator to implement a corrective action plan; and
- (ii) subject to the limitations established in Section 19-6-419, provide money from the fund to the owner or operator to implement the corrective action plan.
- (6) (a) The director may not distribute any money from the fund for corrective action until the owner or operator obtains the director's approval of the corrective action plan.
- (b) An owner or operator who begins corrective action without first obtaining approval from the director and who is covered by the fund may be reimbursed for the costs of the

677	corrective action, subject to the limitations established in Section 19-6-419, if:
678	(i) the owner or operator submits the corrective action plan to the director within seven
679	days after beginning corrective action; and
680	(ii) the director approves the corrective action plan.
681	(7) If the director disapproves the plan, [he] the director shall solicit a new corrective
682	action plan from the owner or operator.
683	(8) If the director disapproves the second corrective action plan, or if the owner or
684	operator fails to submit a second plan within a reasonable time, the director may:
685	(a) develop [his own] an alternative corrective action plan; and
686	(b) act as authorized under Subsections (2) and (5).
687	(9) (a) When notified that the corrective action plan has been implemented, the director
688	shall inspect the location of the release to determine whether or not the corrective action has
689	been properly performed and completed.
690	(b) If the director determines the corrective action has not been properly performed or
691	completed, [he] the director may issue an order requiring the owner or operator to complete the
692	corrective action within the time specified in the order.
693	(10) (a) For releases not covered by the fund, the director may recover from the
694	responsible party expenses incurred by the division for managing and overseeing the
695	abatement, and investigation or corrective action of the release. These expenses shall be:
696	(i) billed quarterly per release;
697	(ii) due within 30 days of billing;
698	(iii) deposited with the division as dedicated credits;
699	(iv) used by the division for the administration of the underground storage tank
700	program outlined in this part; and
701	(v) billed per hourly rates as established under Section 63J-1-504.
702	(b) If the responsible party fails to pay expenses under Subsection 10(a), the director
703	<u>may:</u>
704	(i) revoke the responsible party's certificate of compliance, as described in Section
705	19-6-414, if the responsible party is also the owner or operator; and
706	(ii) pursue an action to collect expenses in Subsection 10(a), including the costs of
707	collection.

708	Section 11. Section 19-8-119 is amended to read:
709	19-8-119. Apportionment or contribution.
710	(1) Any party who incurs costs under a voluntary agreement entered into under this part
711	in excess of his liability may seek contribution in an action in district court from any other
712	party who is or may be liable under Subsection 19-6-302(21) or 19-6-402[(27)](26) for the
713	excess costs after providing written notice to any other party that the party bringing the action
714	has entered into a voluntary agreement and will incur costs.
715	(2) In resolving claims made under Subsection (1), the court shall allocate costs using
716	the standards in Subsection 19-6-310(2).
717	Section 12. Section <b>63A-3-205</b> is amended to read:
718	63A-3-205. Revolving loan funds Standards and procedures Annual report.
719	(1) As used in this section, "revolving loan fund" means:
720	(a) the Water Resources Conservation and Development Fund, created in Section
721	73-10-24;
722	(b) the Water Resources Construction Fund, created in Section 73-10-8;
723	(c) the Water Resources Cities Water Loan Fund, created in Section 73-10-22;
724	(d) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean
725	Fuels and Vehicle Technology Program Act;
726	(e) the Water Development Security Fund and its subaccounts, created in Section
727	73-10c-5;
728	(f) the Agriculture Resource Development Fund, created in Section 4-18-106;
729	(g) the Utah Rural Rehabilitation Fund, created in Section 4-19-4;
730	(h) the Permanent Community Impact Fund, created in Section 35A-8-603;
731	(i) the Petroleum Storage Tank [Loan] <u>Trust</u> Fund, created in Section [19-6-405.3]
732	<u>19-6-409;</u>
733	(j) the Uintah Basin Revitalization Fund, created in Section 35A-8-1602;
734	(k) the Navajo Revitalization Fund, created in Section 35A-8-1704; and
735	(l) the Energy Efficiency Fund, created in Section 11-45-201.
736	(2) The division shall for each revolving loan fund:
737	(a) make rules establishing standards and procedures governing:
738	(i) payment schedules and due dates;

739	(ii) interest rate effective dates;
740	(iii) loan documentation requirements; and
741	(iv) interest rate calculation requirements; and
742	(b) make an annual report to the Legislature containing:
743	(i) the total dollars loaned by that fund during the last fiscal year;
744	(ii) a listing of each loan currently more than 90 days delinquent, in default, or that was
745	restructured during the last fiscal year;
746	(iii) a description of each project that received money from that revolving loan fund;
747	(iv) the amount of each loan made to that project;
748	(v) the specific purpose for which the proceeds of the loan were to be used, if any,
749	(vi) any restrictions on the use of the loan proceeds;
750	(vii) the present value of each loan at the end of the fiscal year calculated using the
751	interest rate paid by the state on the bonds providing the revenue on which the loan is based or,
752	if that is unknown, on the average interest rate paid by the state on general obligation bonds
753	issued during the most recent fiscal year in which bonds were sold; and
754	(viii) the financial position of each revolving loan fund, including the fund's cash
755	investments, cash forecasts, and equity position.
756	Section 13. Section <b>63B-1b-102</b> is amended to read:
757	63B-1b-102. Definitions.
758	As used in this chapter:
759	(1) "Agency bonds" means any bond, note, contract, or other evidence of indebtedness
760	representing loans or grants made by an authorizing agency.
761	(2) "Authorized official" means the state treasurer or other person authorized by a bond
762	document to perform the required action.
763	(3) "Authorizing agency" means the board, person, or unit with legal responsibility for
764	administering and managing revolving loan funds.
765	(4) "Bond document" means:
766	(a) a resolution of the commission; or
767	(b) an indenture or other similar document authorized by the commission that
768	authorizes and secures outstanding revenue bonds from time to time.
769	(5) "Commission" means the State Bonding Commission, created in Section

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770
       63B-1-201.
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              (6) "Revenue bonds" means any special fund revenue bonds issued under this chapter.
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              (7) "Revolving Loan Funds" means:
773
              (a) the Water Resources Conservation and Development Fund, created in Section
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       73-10-24;
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              (b) the Water Resources Construction Fund, created in Section 73-10-8;
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              (c) the Water Resources Cities Water Loan Fund, created in Section 73-10-22;
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              (d) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean
       Fuels and Vehicle Technology Program Act;
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              (e) the Water Development Security Fund and its subaccounts, created in Section
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       73-10c-5;
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              (f) the Agriculture Resource Development Fund, created in Section 4-18-106;
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              (g) the Utah Rural Rehabilitation Fund, created in Section 4-19-4;
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              (h) the Permanent Community Impact Fund, created in Section 35A-8-303;
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              (i) the Petroleum Storage Tank [Loan] Trust Fund, created in Section [19-6-405.3]
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       19-6-409; and
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               (i) the Transportation Infrastructure Loan Fund, created in Section 72-2-202.
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               Section 14. Section 63B-1b-202 is amended to read:
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              63B-1b-202. Custodial officer -- Powers and duties.
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              (1) (a) There is created within the Division of Finance an officer responsible for the
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       care, custody, safekeeping, collection, and accounting of all bonds, notes, contracts, trust
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       documents, and other evidences of indebtedness:
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              (i) owned or administered by the state or any of its agencies; and
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              (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.
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              (b) Notwithstanding Subsection (1)(a), the officer described in Subsection (1)(a) is not
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       responsible for the care, custody, safekeeping, collection, and accounting of a bond, note,
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       contract, trust document, or other evidence of indebtedness relating to the:
797
              (i) Agriculture Resource Development Fund, created in Section 4-18-106;
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              (ii) Utah Rural Rehabilitation Fund, created in Section 4-19-4;
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              (iii) Petroleum Storage Tank [Loan] Trust Fund, created in Section [19-6-405.3]
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       19-6-409;
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801	(iv) Olene Walker Housing Loan Fund, created in Section 35A-8-502;
802	(v) Business Development for Disadvantaged Rural Communities Restricted Account,
803	created in Section 63M-1-2003; and
804	(vi) Brownfields Fund, created in Section 19-8-120.
805	(2) (a) Each authorizing agency shall deliver to this officer for the officer's care,
806	custody, safekeeping, collection, and accounting all bonds, notes, contracts, trust documents,
807	and other evidences of indebtedness:
808	(i) owned or administered by the state or any of its agencies; and
809	(ii) except as provided in Subsection (1)(b), relating to revolving loan funds.
810	(b) This officer shall:
811	(i) establish systems, programs, and facilities for the care, custody, safekeeping,
812	collection, and accounting for the bonds, notes, contracts, trust documents, and other evidences
813	of indebtedness submitted to the officer under this Subsection (2); and
814	(ii) shall make available updated reports to each authorizing agency as to the status of
815	loans under their authority.
816	(3) The officer described in Section 63B-1b-201 shall deliver to the officer described in
817	Subsection (1)(a) for the care, custody, safekeeping, collection, and accounting by the officer
818	described in Subsection (1)(a) of all bonds, notes, contracts, trust documents, and other
819	evidences of indebtedness closed as provided in Subsection 63B-1b-201(2)(b).
820	Section 15. Section 63I-2-219 is enacted to read:
821	<u>63I-2-219.</u> Repeal dates Title 19.
822	(1) Section 19-6-405.3 is repealed July 1, 2014.
823	(2) Section 19-6-405.4 is repealed July 1, 2014.
824	Section 16. Effective date.
825	(1) Except as provided in Subsections (2), (3), and (4) this bill takes effect on May 13,
826	<u>2014.</u>
827	(2) The amendments to Section 19-6-409 take effect on July 1, 2014.
828	(3) The amendments to Section 19-6-410.5 take effect on January 1, 2015.
829	(4) The amendments to Section 19-6-420 take effect on July 1, 2015.